Tarrant County Texas

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NOTICE OF CONFIDE June Windows OU ARE WATTURATURE PERSON, WOTH MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

emed correct, whether actually more or less.

PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this day of whose address is 12434 Warch by and between the completion of blank spaces) were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased reconstructions: acres of land, more or less, being blk blat 21 out of the she wood, an addition to the city of Grand Prairie, Texas, being more particularly described by metes and bounds in that certain social Warranty load bonds recorded in the County of Torrant County, Texas; in the County of Torrant State of TEXAS, containing 172 gross acres, more or less (including any interests therein which Lessor may bereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be leased premises:

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions

more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut in royalties hereunder, the number of gross acres above specified shall be

hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twenty percent (20)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be twenty percent (20)% of the processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its

purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, tor if there is no such price then prevailing in the same field, tor if there is no such price then prevailing in the same field, tor if there is no such price then prevailing in the same field, tor if there is no such price then prevailing in the same field, tor if there is no such price then prevailing in the same field, tor if there is not an extended the provided of either production in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time therefore no or more wells on the lessed premises or lands pooled therewith are capable of either production therefore in not being sold by Lessee, such well or wells are shut-in or production thereform is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lesse, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee is failure to properly pay shut-in royalty shall be passed by Lessee; provided that if this lesse is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells are shut-in or production therefrom is not being sold by Lessee, including a large sold and the payment of the end of said 90-day period while the well or wells are shut-in or production therefrom in an order the sold production of changes in the ownership of said land. All payments or tenders being maintained by operations are gardless of change

ucompensate drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided berein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all adepths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit fromed by such pooling for an oil well or gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; more than a larger unit may be formed for an oil well or gas well or broatched completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; more than a larger unit may be formed for an oil well or gas well or broatched completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; more than a larger unit may be formed for an oil well or gas well or broatched under the proper tole of permitted by any governmental authority, or, if no definition is so preservibed, "oil well" means a well in with an initial gas-oil ratio of 100,000 cubic feet per barrel, based on 24-hour production to the conducted under normal producing conditions using standard lease separator deviated by a such properties of the term horizonatial completion with the horizonation opponent of the gens so completion interval in the reservoir exceeds the vertical component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights bremader, Lessee shall file of record a written declarati

- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, nijections untils, pite, election and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lesser's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdi

- describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

ction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor

LESSOR (WHETHER ONE OR MORE)	Manuela anaya
STATE OF TEXAS COUNTY OF This instrument was acknowledged before me on the BERENIZE GUSMAN Notary Public, State of Texas My Commission Expires March 04, 2012	Notary's name (printed) Notary's commission expires:
ACKNOW	LEDGMENT
STATE OF TEXAS COUNTY OF	Notary Public, State of Texas
H-	Notary's name (printed): Notary's commission expires:
STATE OF TEXAS COUNTY OF day of a corporation, on the and corporation.	CKNOWLEDGMENT, 20, by
	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
STATE OF TEXAS	SINFORMATION
County of	
This instrument was filed for record on thedM., and duly recorded in	ay of, 20, ato'clock
Book, Page, of the records	of this office.
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Clerk (or Deputy)